

1 **CAPITAL OUTLAY**

2 **EXECUTIVE BUDGET BILL**

3 A bill to provide for a capital outlay program; to set forth
4 the provisions for its implementation within the budgetary process;
5 to make appropriations for planning and construction at state
6 institutions and the acquisition of land; to provide for the
7 elimination of fire hazards at the institutions; to provide for
8 certain special maintenance, remodeling, alteration, renovation, or
9 demolition of and additions to projects at state institutions; to
10 provide for elimination of occupational safety and health hazards
11 at state agencies and institutions; to provide for the award of
12 contracts; to provide for expenditures under the supervision of the
13 director of the department of management and budget and the state
14 administrative board; to provide for certain advances from the
15 general fund; to prescribe powers and duties of certain state
16 officers and agencies; to require certain reports, plans, and
17 agreements; to provide for leases; to prescribe standards and
18 conditions relating to the appropriations; to make appropriations
19 for the fiscal year ending September 30, 2009; and to provide for
20 the expenditure of the appropriations.

21 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

22 PART 1

23 LINE-ITEM APPROPRIATIONS FOR

24 FISCAL YEAR 2008-2009

25 Sec. 101. Subject to the conditions set forth in this bill,

1 the amounts listed in this part are appropriated for certain
2 capital outlay projects at the various state agencies and
3 institutions for the fiscal year ending September 30, 2009, from
4 the funds indicated in this part. The following is a summary of the
5 appropriations in this part:

6 **CAPITAL OUTLAY**

7 APPROPRIATIONS SUMMARY:

8 GROSS APPROPRIATION..... \$ 249,966,700

9 Interdepartmental grant revenues:

10 Total interdepartmental grants and intradepartmental

11 transfers 2,000,000

12 ADJUSTED GROSS APPROPRIATION..... \$ 247,966,700

13 Federal revenues:

14 Total federal revenues 188,017,600

15 Special revenue funds:

16 Total local revenues..... 30,674,200

17 Total private revenues..... 1,500,000

18 Total state restricted revenues..... 27,324,900

19 State general fund/general purpose \$ 450,000

20 **Sec. 102. DEPARTMENT OF AGRICULTURE**

21 Farmland and open space development acquisition \$ 3,750,000

22 GROSS APPROPRIATION..... \$ 3,750,000

23 Appropriated from:

24 Federal revenues:

25 DAG, multiple grants..... 1,250,000

1	Special revenue funds:	
2	Agriculture preservation fund	2,500,000
3	State general fund/general purpose	\$ 0
4	Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET	
5	Major special maintenance, remodeling and addition	
6	for state agencies	\$ <u>2,000,000</u>
7	GROSS APPROPRIATION.....	\$ 2,000,000
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG, building occupancy charges.....	2,000,000
11	Special revenue funds:	
12	State general fund/general purpose	\$ 0
13	Sec. 104. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
14	For department of military and veterans affairs	
15	special maintenance, remodeling and additions	\$ 12,900,000
16	Land acquisitions and appraisals statewide.....	500,000
17	Camp Grayling, military operations on urban terrain	
18	(MOUT) training course construction (total authorized	
19	cost \$40,000,000; federal share \$40,000,000)	<u>40,000,000</u>
20	GROSS APPROPRIATION.....	\$ 53,400,000
21	Appropriated from	
22	Federal revenues:	
23	DOD, department of the army - national guard bureau...	52,450,000
24	Special revenue funds:	
25	Armory construction fund.....	500,000

1	State general fund/general purpose	\$	450,000
2	Sec. 105. DEPARTMENT OF NATURAL RESOURCES		
3	(1) STATE PARK AND FOREST AREA IMPROVEMENTS		
4	State parks repair and maintenance	\$	3,500,000
5	Forest roads, bridges and facilities		<u>1,300,000</u>
6	GROSS APPROPRIATION.....	\$	4,800,000
7	Appropriated from:		
8	Special revenue funds:		
9	Private revenues.....		1,500,000
10	State park improvement fund		2,000,000
11	Forest development fund		1,300,000
12	State general fund/general purpose	\$	0
13	(2) WATERWAYS BOATING PROGRAM		
14	Infrastructure improvements - state projects.....	\$	4,293,000
15	Infrastructure improvements - local projects.....		900,000
16	Land acquisitions.....		1,000,000
17	Boating program, state boating access sites:		
18	Port Austin, Huron county, site improvements (total		
19	authorized cost \$500,000; state share \$500,000)		500,000
20	Boating program, state harbors and docks:		
21	Mackinaw City, Cheboygan county, new marina, state		
22	dock, phase V, (total authorized cost is increased		
23	from \$11,775,000 to \$12,075,000; state share is		
24	increased from \$11,775,000 to \$12,075,000)		300,000
25	Boating program, local harbors and docks:		

1	Metro beach metropark, Macomb county, dock		
2	replacements, utility and seawall upgrades (total		
3	authorized cost \$4,800,000; state share \$2,400,000;		
4	local share \$2,400,000)		<u>2,400,000</u>
5	GROSS APPROPRIATION.....	\$	9,393,000
6	Appropriated from:		
7	Federal revenues:		
8	DHS, U.S. coast guard.....	\$	1,293,000
9	Special revenue funds:		
10	Michigan state waterways fund.....		8,100,000
11	State general fund/general purpose.....	\$	0
12	Sec. 106. DEPARTMENT OF TRANSPORTATION		
13	(1) BUILDINGS AND FACILITIES		
14	Salt storage buildings and containment control		
15	systems - contract agencies	\$	2,765,000
16	Salt storage buildings and containment control		
17	systems - various state locations		1,337,000
18	Port Huron, St. Clair county, transportation service		
19	center construction (total authorized cost \$1,915,000;		
20	state trunkline fund share \$1,915,000)		1,915,000
21	Fennville, Allegan county, maintenance garage		
22	expansion (total authorized cost \$945,000; state		
23	trunkline fund share \$945,000)		945,000
24	Institutional and agency roads.....		750,000
25	Miscellaneous special maintenance, remodeling, and		

1	additions	1,420,000
2	GROSS APPROPRIATION.....	\$ 9,132,000
3	Appropriated from:	
4	Special revenue funds:	
5	State trunkline fund	9,132,000
6	State general fund/general purpose	\$ 0
7	(2) AIRPORT IMPROVEMENT PROGRAMS	
8	Airport safety, protection and improvement program....	\$ 167,491,700
9	GROSS APPROPRIATION.....	\$ 167,491,700
10	Appropriated from:	
11	Federal revenues:	
12	DOT, federal aviation administration.....	133,024,600
13	Special revenue funds:	
14	Local aeronautics match.....	30,674,200
15	State aeronautics fund.....	3,792,900
16	State general fund/general purpose.....	\$ 0

17 **PART 2**

18 **PROVISIONS CONCERNING APPROPRIATIONS**

19 **GENERAL SECTIONS**

20 Sec. 201. Pursuant to section 30 of article IX of the state
21 constitution of 1963, total state spending from state resources
22 under part 1 for fiscal year 2008-2009 is \$27,774,900.00 and state
23 spending from state resources to be paid to local units of
24 government for fiscal year 2008-2009 is \$9,857,900.00. The itemized
25 statement below identifies appropriations from which spending to

1 units of local government will occur:

2 CAPITAL OUTLAY

3 Department of natural resources - waterways boating

4 program \$ 3,300,000

5 Department of transportation - buildings and

6 facilities \$ 2,765,000

7 Department of transportation - airport safety,

8 protection and improvement program \$ 3,792,900

9 TOTAL \$ 9,857,900

10 Sec. 202. The appropriations authorized under this bill are
11 subject to the management and budget act, 1984 PA 431, MCL 18.1101
12 to 18.1594.

13 Sec. 203. As used in this bill:

14 (a) "Board" means the state administrative board.

15 (b) "Community college" does not include a state agency or
16 university.

17 (c) "Department" means the department of management and budget.

18 (d) "Director" means the director of the department of
19 management and budget.

20 (e) "DAG" means the United States department of agriculture.

21 (f) "DHS" means the United States department of homeland
22 security.

23 (g) "DOD" means the United States department of defense.

24 (h) "DOI" means the United States department of interior.

25 (i) "DOT" means the United States department of transportation.

1 (j) "Fiscal agencies" means the senate fiscal agency and the
2 house fiscal agency.

3 (k) "IDG" means interdepartmental grant.

4 (l) "JCOS" means the joint capital outlay subcommittee of the
5 appropriations committees.

6 (m) "State agency" means an agency of state government. State
7 agency does not include a community college or university.

8 (n) "State building authority" means the authority created under
9 1964 PA 183, MCL 830.411 to 830.425.

10 (o) "University" means a 4-year university supported by the
11 state. University does not include a community college or a state
12 agency.

13 Sec. 204. Funds appropriated in part 1 shall not be used for
14 the purchase of foreign goods or services, or both, if
15 competitively priced and of comparable quality American goods or
16 services, or both, are available. Preference shall be given to
17 goods or services, or both, manufactured or provided by Michigan
18 businesses if they are competitively priced and of comparable
19 quality. In addition, preference shall be given to goods or
20 services, or both, that are manufactured or provided by Michigan
21 businesses owned and operated by veterans, if they are
22 competitively priced and of comparable quality.

23 Sec. 205. The departments and agencies receiving
24 appropriations in part 1 shall use the Internet to fulfill the
25 reporting requirements of this bill. This requirement may include

1 transmission of reports via electronic mail to the recipients
2 identified for each reporting requirement, or it may include
3 placement of reports on an Internet or Intranet site.

4 Sec. 206. The director of each department receiving
5 appropriations in part 1 shall take all reasonable steps to ensure
6 businesses in deprived and depressed communities compete for and
7 perform contracts to provide services or supplies, or both. Each
8 director shall strongly encourage firms with which the department
9 contracts to subcontract with certified businesses in depressed and
10 deprived communities for services, supplies, or both.

11 12 **DEPARTMENT OF AGRICULTURE**

13 Sec. 301. Of the amounts appropriated in part 1 for farmland
14 and open space development acquisition, the funds shall be used for
15 the purchase of development rights and the awarding of grants by
16 the agriculture preservation fund board under the natural resources
17 and environmental protection act, 1994 PA 451, MCL 324.101 to
18 324.90106.

19 20 **CAPITAL OUTLAY PROCESSES, PROCEDURES & REPORTS**

21 Sec. 401. Each capital outlay project authorized in this bill
22 or any previous capital outlay act shall comply with the procedures
23 required by the management and budget act, 1984 PA 431, MCL 18.1101
24 to 18.1594.

25 Sec. 402. A statement of a proposed facility's operating cost

1 shall be included with the facility's program statement and
2 planning documents when the plans are presented to JCOS for
3 approval.

4 Sec. 403. (1) Before proceeding with final planning and
5 construction for projects at community colleges and universities
6 included in an appropriations act, the community college or
7 university shall sign an agreement with the department that
8 includes the following provisions:

9 (a) The university or community college agrees to construct
10 the project within the total authorized cost established by the
11 legislature pursuant to the management and budget act, 1984 PA 431,
12 MCL 18.1101 to 18.1594, and an appropriations act.

13 (b) The design and program scope of the project shall not
14 deviate from the design and program scope represented in the
15 program statement and preliminary planning documents approved by
16 the department.

17 (c) Any other items as identified by the department that are
18 necessary to complete the project.

19 (2) The department retains the authority and responsibility
20 normally associated with the prudent maintenance of the public's
21 financial and policy interests relative to the state-financed
22 construction projects managed by a community college or university.

23 Sec. 404. (1) The department shall provide the JCOS, state
24 budget director and the fiscal agencies with reports as considered
25 necessary relative to the status of each planning or construction

1 project financed by the state building authority, by this bill, or
2 by previous acts.

3 (2) Before the end of each fiscal year, the department shall
4 report to the JCOS, state budget director and the fiscal agencies
5 for each capital outlay project other than lump sums all of the
6 following:

7 (a) The account number and name of each construction project.

8 (b) The balance remaining in each account.

9 (c) The date of the last expenditure from the account.

10 (d) The anticipated date of occupancy if the project is under
11 construction.

12 (e) The appropriations history for the project.

13 (f) The professional service contractor.

14 (g) The amount of a project financed with federal funds.

15 (h) The amount of a project financed through the state
16 building authority.

17 (i) The total authorized cost for the project and the state
18 authorized share if different than the total.

19 (3) Before the end of each fiscal year, the department shall
20 report the following for each project by a state agency,
21 university, or community college that is authorized for planning
22 but is not yet authorized for construction:

23 (a) The name of the project and account number.

24 (b) Whether a program statement is approved.

25 (c) Whether schematics are approved by the department.

1 (d) Whether preliminary plans are approved by the department.

2 (e) The name of the professional service contractor.

3 (4) As used in this section, "project" includes appropriation
4 line items made for purchase of real estate.

5 Sec. 405. A state agency, college, or university shall take
6 steps necessary to make available federal and other money indicated
7 in this bill, to make available federal or other money that may
8 become available for the purposes for which appropriations are made
9 in this bill, and to use any part or all of the appropriations to
10 meet matching requirements that are considered to be in the best
11 interest of this state. However, the purpose, scope, and total
12 estimated cost of a project shall not be altered to meet the
13 matching requirements.

14
15 **STATE AGENCY LUMP SUMS**

16 Sec. 501. (1) The directors of respective departments shall
17 allocate lump-sum appropriations made in this bill consistent with
18 statutory provisions and the purposes for which funds were
19 appropriated. Lump sum allocations shall address priority program
20 or facility needs and may include, but are not limited to, design,
21 construction, remodeling and addition, special maintenance, major
22 special maintenance, energy conservation and demolition.

23 (2) The state budget director may authorize that funds
24 appropriated for lump-sum appropriations shall be available for no
25 more than 3 fiscal years following the fiscal year in which the

1 original appropriation was made. Any remaining balance from
2 allocations made in this section shall lapse to the fund from which
3 it was appropriated pursuant to the lapsing of funds as provided in
4 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

5
6 **COLLEGES AND UNIVERSITIES**

7 Sec. 601. (1) This section applies only to projects for
8 community colleges.

9 (2) State support is directed towards the remodeling and
10 additions, special maintenance, or construction of certain
11 community college buildings. The community college shall obtain or
12 provide for site acquisition and initial main utility installation
13 to operate the facility. Funding shall be comprised of local and
14 state shares, and the state share shall include 50% of any federal
15 money awarded for projects appropriated in this bill. Not more than
16 50% of a capital outlay project, not including a lump-sum special
17 maintenance project or remodeling and addition project, for a
18 community college shall be appropriated from state and federal
19 funds, unless otherwise appropriated by the legislature.

20 (3) An expenditure under this bill is authorized when the
21 release of the appropriation is approved by the board upon the
22 recommendation of the director. The director may recommend to the
23 board the release of any appropriation in part 1 only after the
24 director is assured that the legal entity operating the community
25 college to which the appropriation is made has complied with this

1 bill and has matched the amounts appropriated as required by this
2 bill. A release of funds in part 1 shall not exceed 50% of the
3 total cost of planning and construction of any project, not
4 including lump-sum remodeling and additions and special
5 maintenance, unless otherwise appropriated by the legislature.
6 Further planning and construction of a project authorized by this
7 bill or applicable sections of the management and budget act, 1984
8 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the
9 purpose and scope as defined and delineated in the approved program
10 statements and planning documents. This bill is applicable to all
11 projects for which planning appropriations were made in previous
12 acts.

13 (4) The community college shall take the steps necessary to
14 secure available federal construction and equipment money for
15 projects funded for construction in this bill if an application was
16 not previously made. If there is a reasonable expectation that a
17 prior year unfunded application may receive federal money in a
18 subsequent year, the college shall take whatever action necessary
19 to keep the application active. If federal money is received, the
20 state share shall be adjusted accordingly as provided by this bill.

21 Sec. 602. If matching revenues are received in an amount less
22 than the appropriations contained in this bill, the state funds of
23 the appropriation shall be reduced in proportion to the amount of
24 matching revenue received.

25 Sec. 603. (1) The director may require that community colleges

1 and universities that have an authorized project listed in part 1
2 submit documentation regarding the project match and governing
3 board approval of the authorized project not more than 60 days
4 after the beginning of the fiscal year.

5 (2) If the documentation required by the director under
6 subsection (1) is not submitted, or does not adequately
7 authenticate the availability of the project match or board
8 approval of the authorized project, the authorization may
9 terminate. The authorization terminates 30 days after the director
10 notifies the JCOS of the intent to terminate the project unless the
11 JCOS convenes to extend the authorization.

12 13 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

14 Sec. 701. The appropriations in part 1 for the department of
15 military and veterans affairs design and construction projects are
16 contingent upon the availability of federal and state restricted
17 funds for financing.

18 19 **DEPARTMENT OF NATURAL RESOURCES**

20 Sec. 801. The appropriation made in this bill for the harbors
21 and docks program is for the purpose of participating with the
22 federal government and assisting political entities and
23 subdivisions of this state in the construction and improvement of
24 recreational boating facilities within this state. Subject to the
25 approval of the board, this money shall be allocated by the

1 department of natural resources to the federal government, or to
2 the political entities or local units of government involved in the
3 particular projects. An allocation shall not exceed the state
4 portion as listed with each project description. The department of
5 natural resources shall take the steps necessary to match federal
6 money available for the construction and improvement of
7 recreational boating facilities within this state, and to meet
8 requirements of the federal government.

9
10 **STATE TRANSPORTATION DEPARTMENT**

11 Sec. 901. (1) From federal-state-local project appropriations
12 contained in part 1 for the purpose of assisting political entities
13 and subdivisions of this state in the construction and improvement
14 of publicly used airports and landing fields within this state, the
15 state transportation department may permit the award of contracts
16 on behalf of units of local government for the authorized locations
17 not to exceed the indicated amounts, of which the state allocated
18 portion shall not exceed the amount appropriated in part 1.

19 (2) Political entities and subdivisions shall provide not less
20 than 2.5% of the cost of any project under this section, unless a
21 total nonfederal share greater than 5% is otherwise specified in
22 federal law. State money shall not be allocated until local money
23 is allocated. State money for any 1 project shall not exceed 1/3 of
24 the total appropriation in part 1 from state funds for airport
25 improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state, and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this bill and the project application is approved by the governing body of each political subdivision or public agency making the application, and by the Michigan aeronautics commission.

MISCELLANEOUS

Sec. 1001. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of information technology. The department may receive and expend funds from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be sited pursuant to this section without prior compliance with the respective local zoning codes and

1 local unit of government processes.

2 Sec. 1002. (1) A site preparation economic development fund is
3 hereby created in the department of management and budget. As used
4 in this section, "economic development sites" means those state-
5 owned sites declared as surplus property pursuant to section 251 of
6 the management and budget act, 1984 PA 431, MCL 18.1251, that would
7 provide economic benefit to the area or to the state. The Michigan
8 economic development corporation board and the state budget
9 director shall determine whether or not a specific state-owned site
10 qualifies for inclusion in the fund created under this subsection.

11 (2) Proceeds from the sale of any sites designated in
12 subsection (1) shall be deposited into the fund created in
13 subsection (1) and shall be available for site preparation
14 expenditures, unless otherwise provided by law. The economic
15 development sites authorized in subsection (1) are hereby
16 authorized for sale consistent with state law. Expenditures from
17 the fund are hereby authorized for site preparation activities that
18 enhance the marketable sale value of the sites. Site preparation
19 activities include, but are not limited to, demolition,
20 environmental studies and abatement, utility enhancement, and site
21 excavation.

22 (3) A cash advance in an amount of not more than
23 \$25,000,000.00 is hereby authorized from the general fund to the
24 site preparation economic development fund.

25 (4) An annual report shall be transmitted to the senate and

1 house of representatives appropriations committees not later than
2 December 31 of each year. This report shall detail both of the
3 following:

4 (a) The revenue and expenditure activity in the fund for the
5 preceding fiscal year.

6 (b) The sites identified as economic development sites under
7 subsection (1).